An Post
Code of conduct for Directors

Our purpose

‘We act for the common good to improve the quality of life now and for generations to come.”

an post

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1. Introduction

An Post, the Irish Post Office, is one of the oldest institutions of the State, a national organisation with a high profile and a long tradition of service to the Irish people. Its reputation for honest, friendly and efficient service has won the trust and confidence of those with whom it deals. The protection of this reputation is of fundamental importance to An Post and a key ingredient for continuing success. The conduct of the Company's directors, who set its direction, provide leadership, guard its assets and influence values, is most important. This code of conduct, which applies to directors of An Post and its subsidiary and associated companies, summarises the principal responsibilities of directors and outlines the behaviour expected of them. A similar code applies to Company and Group employees.

2. General Responsibilities

Company directors are obliged to act in line with the law and it is their responsibility to make sure they know what the law is. On appointment the law requires that each director must consider and sign the following declaration:

> **"I acknowledge that, as a director, I have legal duties and obligations imposed by the Companies Act, other statutes and common law".**

Given the amount of legislation with a bearing on the Company, directors may, from time to time, require advice and training concerning compliance with their duties and the office of the Company Secretary can provide for such assistance if required. While An Post's directors may have associations with particular stakeholder interests, once a person is appointed a director their allegiance is to the Company and its interests.

The principal fiduciary responsibilities of a director are set out in Part 5 of the Companies Act 2014 and include a requirement to act in good faith, to act honestly and responsibly and to act according to the Company's constitution. There is a requirement for the directors to have regard to the interests of the Company's employees as well as to the interest of its members. The main duties of directors under the Companies Act 2014 are summarised at Appendix 1 of this code.

As a State body An Post is expected to comply with the guidelines set out in the Department of Public Expenditure and Reform's Code of Practice for the Governance of State Bodies. This document specifies that published codes of conduct for both Board directors and Company employees should be approved and available on the An Post website. The Code of Practice, which is provided to An Post's directors on appointment to the Board, contains much detailed information on the role and responsibilities of directors and they are expected to make themselves familiar with its provisions.

An Post's directors must be committed to the highest standards of conduct and ethics and aim to lead by example to ensure ethical values are seen and implemented throughout the Group. Compliance with the provisions and obligations of the Ethics in Public Office Acts 1995 and 2001 is required of An Post's directors as is observance of the Company's internal policies and regulations.

In their thinking and actions, directors will bear in mind and do their best to fulfil An Post's stated purpose: "We act for the common good to improve the quality of life now and for generations to come." They shall, as directors, endeavour at all times to

- lead the Company effectively
- treat everyone with respect and dignity
- engage openly and honestly with customers and stakeholders
- treat all information carefully and observe confidentiality.

3. Confidentiality

Confidentiality and trust have always been at the heart of Post Office business. The Company's employees and agents routinely deal with personal and sensitive information and severe penalties, both personal and corporate, apply where trust is breached, be it deliberate or inadvertent. The Company's directors also have access to confidential information and are likewise required to preserve that confidentiality. In this regard particular attention is drawn to Article 93 of An Post's Constitution which deals with the obligation of secrecy imposed on its directors, officers and servants.

Directors should take particular care to safeguard all Company documents, in both physical and immaterial form, and may liaise with the Company Secretary to arrange for secure disposal of Company papers or other data. On retirement a director is personally responsible for ensuring that all Company documents in their possession are returned to An Post and all electronic copies securely deleted.

4. Conflicts of Interest

The duty of each director is to act at all times solely in the interests of the Company, to the exclusion of all other considerations. From time to time, however, conflicts of interest can arise for directors but if these are openly acknowledged and effectively managed they should not generally pose difficulty for individual directors or An Post.

A conflict of interest exists where a director's personal interests or loyalties might in any way influence, compromise or override the independent judgement they owe to An Post. Such personal interests may be direct or indirect and are defined to include the interests of a person connected to the Board member such as a family member, friend or business associate.

On appointment to the Board, each director must provide the Company Secretary with details of his/her employment and business interests including shareholdings (over €13,000) and professional relationships. The interests of any connected party which are or could be in conflict with businesses of the An Post Group should also be disclosed. Any changes in a director's interests should be notified to the Company Secretary as they arise and annual disclosure declarations must be made in line with Ethics in Public Office legislation. Directors should observe, in particular, the provisions of Article 47 of An Post's Constitution which deals with potential conflicts that may arise in relation to any tender, contract, appointment or arrangement in which a director might have an interest and also the provisions of IAS 24 dealing with "related party" disclosures in the Company's financial statements. The Company Secretary shall maintain a confidential register of directors' interests. A director may consult the Chairperson or Company Secretary if in doubt about any disclosure-related questions.

5. Procedure in cases where a conflict of interest may arise

Company documents on any matter which relates to the declared interests of a director will not be made available to that director. Such documents are taken to include those concerning competitors to the declared interests. It is recognised that the interests of a director or persons connected with him/her can change at short notice and any director who receives documents relating to those interests should return them to the Company Secretary.

A director should excuse themselves from attendance at any Board meeting where directors are considering matters in which they or a connected person has an interest. If the Chairperson has such a conflict, the Board shall select one of its members to chair the meeting during their absence. In such cases a separate minute (to which the director will not have access) will be maintained.

Should there be any uncertainty whether a particular matter concerns the interests of a director or not, the Chairperson shall be the final arbiter. If the Chairperson is aware that a director has an interest which may conflict with a matter to be discussed at a Board meeting, the Chairperson shall take appropriate action to ensure that the Board and the Board member are not compromised.

6. Gifts and Benefits

A director must not, by virtue of their role as a director of An Post, obtain personal advantage from any person dealing with the Company. The acceptance of any gifts, inducements or entertainment, where the value of such could make it appear that the person giving the gift is attempting to influence the director, is forbidden. Any such gifts should be tactfully returned and the Company Secretary notified of the circumstances.

7. Raising Matters of Concern

An Post has in place a specific policy for raising matters of concern. This deals with the disclosure of malpractice, illegal acts or omissions within the Company. Directors are expected to use the procedures set out in that policy to report any instances of illegal or unethical behaviour by any of the Company's directors, managers, employees, agents or contractors. Where a director becomes aware of non-compliance by An Post with its statutory obligations, they should immediately bring this to the attention of fellow directors. If the matter is not rectified within a reasonable timescale, it should be brought to the attention of the Minister.

8. Representing An Post

Being a director of An Post is not only a responsible position but also an honourable one. Directors represent one of the foremost companies in the State and an institution which has long worked for the benefit of its citizens. Their conduct, both public and private, may influence how the Company is seen and they should avoid activities that might bring disrepute or criticism on themselves, other Board members, employees or the Company. A director's duty to An Post extends beyond retirement or resignation to the extent that he/she must not subsequently accept employment which could give rise to conflicts of interest or concerns about confidentiality.

The Company's communications with stakeholders shall be regulated where possible by the Board of An Post and co-ordinated by its Chairperson. The Board has determined that it is the role of the Chairperson to manage effective communication with the Company's shareholders and the role of the Chief Executive to manage effective communication with the shareholders' representatives and other key stakeholders.

9. Failure to comply with this code

Any apparent breaches of the code should be referred to the Chairperson or Company Secretary who will bring the matter before the Board at the earliest opportunity. The Board will decide what action, if any, should be taken and will consider whether the matter and any recommendations it may wish to make should be referred to the Minister.

Directors who are the subject of such scrutiny must absent themselves from any Board, Committee or sub-group discussions of the matter unless specifically requested to attend a meeting.

10. Approval, circulation and review of the code

The code shall be considered and approved by the Board of An Post and circulated to each director. An annual declaration, confirming adherence to the code, will be requested from directors.

Appendix 1 - Companies Act 2014

The principal fiduciary duties are:

1. to act in good faith in what the Board member considers to be the interest of the company;
2. to act honestly and responsibly in relation to the conduct of the affairs of the company;
3. to act in accordance with the company's constitution and exercise his or her powers only for the purposes allowed by law;
4. not to benefit from or use the company's property, information or opportunities for his or her own or anyone else's benefit unless the company's constitution permits it or a resolution is passed in a general meeting;
5. not to agree to restrict the Board member's power to exercise an independent judgment unless this is expressly permitted by the company's constitution;
6. to avoid any conflict between the Board member's duties to the company and the Board member's other interests unless the Board member is released from his or her duty to the company in relation to the matter concerned;
7. to exercise the care, skill and diligence which would be reasonably expected of a person in the same position with similar knowledge and experience as a Board member. A Board member may be held liable for any loss resulting from their negligent behaviour; and
8. to have regard to interests of the company's members.

The Companies Act 2014 also includes a number of general duties for directors:

- Directors must ensure compliance with the Companies Act and the various tax acts.
- Directors must ensure that the company secretary is suitably qualified.
- Directors must acknowledge the existence of their duties by signing a declaration to that effect.
- Directors must take into account the interests of the members of the company and have regard to the interests of the employees.
- Restrictions on loans, quasi loans, credit transactions and certain guarantees and security exist for directors, but will be subject to the new summary approval procedure.
- Directors must disclose any interests in contracts made by the company.
- Directors must notify the company of any interests in shares in the company, its parent or subsidiary but no obligation arises if the shares held represent less than 1% of the share capital of the company or the shares do not have voting rights.

Directors who are found to be in breach of their duties will be liable to account for any gains accrued and must indemnify the Company for losses resulting from any breaches of duties. A court may grant relief from liability where it is satisfied that a director acted honestly and reasonably at all times.

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